#### TOWN OF ATHERTON

HOUSING ELEMENT

INTRODUCTION

#### Purpose

The Housing Element is intended to evaluate the existing and projected housing needs of all economic segments of the community and to develop policies and programs aimed at the preservation, improvement and development of housing. Total housing needs are expressed in terms of the community's internal need plus a portion of the Bay Area housing market need. Both short and long range objectives are included.

## Definition of Income Categories

The U.S. Department of Housing and Urban Development (HUD) defines household income categories by a proportion of the median family income. For the lower income ranges this definition is a function of the percentage of a family's gross income that is allocated to housing payments. The general rule-of-thumb is 25% for families in the low and moderate category. The percentage may increase for the above moderate category.

Very Low Income Low Income Moderate Income Above Moderate Income

below 50% of median 50-80% of median 80-120% of median above 120% of median

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MAR 8 1994

In 1981 the following income limits were used by San Mateo County RSITY OF CALIFORNIA

## Number of Persons in Family

	Category	1	2	3	4	5	6	7	8
į	Median	\$21,400	\$24,400	\$27,400	\$30,500	\$32,900	\$35,400	\$37,800	\$40,300
	Very Low	10,700	12,200	13,700	15,250	16,450	17,700	18,900	20,150
	Low	17,000	19,500	21,950	24,400	25,950	27,450	29,000	30,500
	Moderate	25,700	29,300	32,900	36,600	39,500	42,500	45,400	48,400

#### Concept of Housing Need

Housing need is defined as the difference between the demand for housing and the available supply for all income groups. For purposes of this element the housing need includes both the needs of Atherton and its share of the regional need.



## Relation to Other Elements

The Housing Element is closely related to the Land Use, Open Space and Circulation Elements. In the Housing Element, residential land use is translated into terms of household units to be accommodated in the future. Adequate sites for new housing are identified in the Land Use Element; the location, site area and terrain suitable for housing is related to both Open Space and Land Use; and the capability of serving residential neighborhoods by an efficient circulation system is discussed in the Circulation Element. Environmental constraints to housing development are identified in the Seismic and Safety Element, Noise Element, and Open Space Element.

## State Housing Plan

California's Statewide Housing Plan, prepared in 1977, defines the five basic housing issues facing California:

- 1. Existing neighborhoods and housing should be conserved and improved.
- 2. The rising cost of new housing should be kept down.
- 3. Adequate housing for low and moderate income households should be found, and each jurisdiction should meet their appropriate share of regional housing demand.
- 4. Housing discrimination should be eliminated.
- 5. Housing information should be available for both developers and consumers.

The State Housing Plan recognizes several important guiding principals, among which is the belief that the private sector is, and should be, the major provider of housing. The government's role is to do what it can to make the private market responsive to the needs of all income, age, race and ethnic groups and to help private industry provide a wide variety of housing types, sizes and prices.

In 1980, Assembly Bill 2853 (Chaptered as Government Code Section 65580 et seq.) was approved by the State Legislature. Its purpose was to amend and add to Title 7 of the Government Code. The new legislation requires counties and cities to prepare substantially more detailed housing elements.

# Information Sources for the Housing Element

The Town did not participate in the 1975 San Mateo County Special Census. Therefore, data from the 1970 Federal Census has been relied upon as a primary information source for the Housing Element. Census data from 1970 has been updated whenever possible in this report by available data from the 1980 Federal Census. Another segment of the 1980 Census data is to be released by the Federal Government in the near future and will be utilized in this element upon availability.

The Census Areas and Population Map, Exhibit A-1 of the Appendix, identifies Census Tracts 6114 and 6115 which encompass Atherton. The map also delineates the ninety-seven pertinent block districts which contain residential and housing information. The Block Areas listed in the tables of the Census are related to those identified numerically on the map. Population per block is also indicated on the map.

Town records and staff participation were also primary information sources for this plan element. Additionally, the County of San Mateo and their publications, reference documents, maps and aerial photography provided considerable background data for the following analysis. Information from the Association of Bay Area Governments and the State Department of Housing and Community Development was also utilized. All reference materials are listed in the bibliography.

#### ASSESSMENT OF HOUSING NEEDS

# Atherton's Population and Employment Characteristics

History of the Community. The eighteenth and early nineteenth centuries marked European settlement of California and, like much of the State, Atherton was originally part of the Spanish Ranchero land grant system. The Arguello family owned Rancho de las Pulgas, which encompassed the area now known as Atherton and their Rancho was by far the largest tract on the Peninsula. Their property measured 35,250 acres in size and stretched from San Mateo Creek to San Francisquito Creek. Official title was awarded to the family in 1835 by the Mexican government.

Atherton's history as a Peninsula Community was probably initiated by the completion of the Southern Pacific Railroad in 1864, which prompted a flurry of real estate activity in the region. Many affluent families bought land and built homes on the Peninsula during this era. Generally, the mansions they erected were referred to as summer homes, but they later became permanent residences. One of these families, that of Faxon Dean Atherton, built their home on Atherton Avenue. Thomas Selby, one-time mayor of San Francisco, bought land adjoining Atherton's on the north and extending to the present Selby Lane. The "era of great estates" for the majority of the Peninsula was over by 1906 when the San Francisco earthquake and fire forced masses of middle class people to move from the City. They settled predominantly in Peninsula towns along the commuter lines where access to regional employment or local employment opportunities were available. Atherton was not a town of resettlement for the San Francisco refugees, however, and has traditionally remained a community of affluent residents.

Atherton incorporated in the 1920s. At the time, the community was called Fair Oaks and a main reason for incorporating was to prevent annexation of their properties by their growing neighbor, Menlo Park. An original boundary agreement was drawn by committees of both towns in 1911, but conveniently forgotten during the first World War. In 1923, Menlo Park Officials again opened discussion on annexation which prompted Fair Oaks officials to rush to file incorporation papers at the County Seat one hour and twenty minutes before Menlo Park filed. The new legal boundary was not far from the previously agreed upon line, but more irregular and complex. The town was officially named Atherton instead of Fair Oaks because the latter name was previously claimed by a town in Sacramento County. 1

Stanger, Frank M., <u>South from San Francisco</u> San Mateo County Historical Association, San Mateo, California, 1963

Today, Atherton is a solely residential community. Therefore, nearby Menlo Park and Redwood City function as the service centers for the Town. Atherton remains an affluent community, long known for its well-appointed estates and attractive homes amidst oak woodlands.

<u>Population and Employment Summary</u>. Background information on population and employment characteristics of Atherton is appended to this plan element. Appendix A includes information on historic population growth, analysis of age characteristics of the population, location of people over 65 years of age, racial and ethnic composition of the community, and employment by occupation and location.

In brief, the population of the community has been relatively stable for the past two decades and is likely to remain close to current levels to the year 2000. The 1980 Census counted approximately 7,800 residents, a decline over the 1970 count of just over 8,000. The projected population for the year 2000 is 7,657. In 1980, 24 percent of the population were children under 18 years old, 63 percent were between the ages of 18 and 64, and 13 percent were elderly, over age 64. Atherton senior citizens reside in housing units dispersed evenly throughout the community, with the exception of a concentration of approximately 20 to 30 seniors who are housed at the Sacred Heart group quarters facility for retired nuns.

The social and economic profile of Atherton residents presented in Appendix A reveals that the population is predominantly white and that they are largely high income families. The mean family annual income was \$34,304 in 1970, compared to a County mean of \$15,138. Major occupations in 1970 were professional and managerial positions and employment locations were largely outside the Town of Atherton, i.e., elsewhere in San Mateo County or in San Francisco. The labor force consisted of 28 percent women and 72 percent men in 1970. Unemployment was 3.3 percent for men and 6.3 percent for women at that time.

#### Atherton's Housing Characteristics

Housing and Household Characteristic Summary. Background information on housing and household characteristics of Atherton is appended to this plan element. Appendix A includes data and analysis of the number, condition and cost of housing units; the size, tenure and income of households; and trends in building permit activity.

In 1980, 2,496 housing units were counted in Atherton by the Federal Census. The rate of housing construction over the last 15 years has averaged 13 new units per year. Construction of new homes over the past three

<sup>&</sup>lt;sup>2</sup> Association of Bay Area Governments, <u>Projections</u> '79

years has been at the lowest levels observed during the 15 year period, at 6.6 new structures per year. The size of the average dwelling unit in Atherton is larger than the County average. The mean Atherton housing unit is 6.7 rooms compared to a County-wide mean size of 5.1 rooms. The median age of residential structures in Atherton is between 30 and 40 years old. The condition of nearly all residential structures in Atherton is well-maintained according to City officials, whose descriptions are reinforced by Building Department records showing an average of 340 alteration and repair permits per year issued over the last 15 years.

The City's mean household size has declined over the last decade from 3.5 persons per unit in 1970 to 3.0 persons per unit in 1980. The 0.5 person decline in Atherton household size compares to a County-wide decline from 2.9 persons per unit in 1970 to 2.5 persons per unit in 1980. Although overcrowded conditions in the City were recorded for 43 units by the 1970 Census, it is most probable that the Census was in error, according to City officials. While there may have been a few incidences of overcrowding in 1970, it is very unlikely that there were more than 3 to 5 units involved. As of 1970, City policy has been enforced which restricts the use of inappropriate structures, e.g., garages, as living quarters. Over-crowding is not an issue in Atherton at the present time.

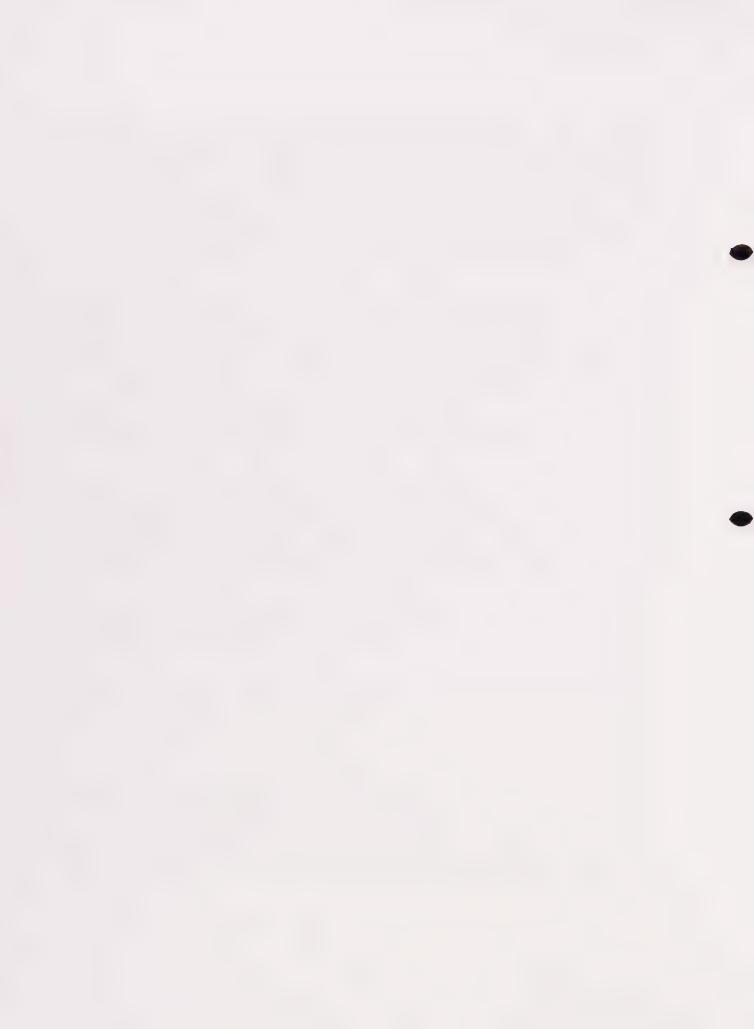
The average length of tenancy for Atherton residents in 1970 was approximately 10 years, higher than the County average. The high term of tenancy is probably related to the unusually high proportion of ownership to rentership observed in Atherton. In 1980 there were 94 percent ownership households compared to 6 percent rentership households in Atherton. For comparison, County totals were reported as being comprised of 39 percent rentership households and 61 percent ownership households.

The median priced house in Atherton was over \$50,000 in 1970, and had increased to \$200,100 by 1980. The County median sales price was \$124,400 in 1980, therefore the cost of home ownership was at least 61 percent higher in Atherton than elsewhere in San Mateo County.

Contract rent levels in 1970 were shown to be \$150, compared to the County median of \$154. By 1980 they had increased to \$501, compared to a County median of \$313.

## Household Income to Housing Cost Correlation

Table 1 is an analysis and summary of 1970 Census data, comparing local household income to local housing cost. The purpose of the analysis is to determine housing unit availability in each income category. Income categories are based on the Atherton median income in 1970. The correlation reveals some conclusions about the level of payment required to live in Atherton compared to the ability of local residents to afford housing costs.



#### TABLE 1: LOCAL HOUSING NEED - 1970 CENSUS DATA

TOTAL HOUSEHOLD <sup>1</sup> _ANNUAL INCOME IN \$	MONTHLY INCOME <sup>2</sup> FOR HOUSING IN \$	TOTAL NUMBER <sup>3</sup> OF HOUSEHOLDS BY INCOME CATEGORY	AV IN EACH	ING UNITALLABLE COST CARENTER		UNIT SURPLUS OR DEFICIT AFTER INCOME/ COST CORRELATION
0 - 14,272	< 297	437	235	327	562	+125
14,273 - 22,835	298 - 475	512	206	(20)	226	-286
22,836 - 34,252	476 - 714	385	(417)	(15)	432	+47
34,253+	715+	942	(1020)	(36)	1056	+114
TOTALS		2276 <sup>5</sup>	1878	398	2276 <sup>5</sup>	0

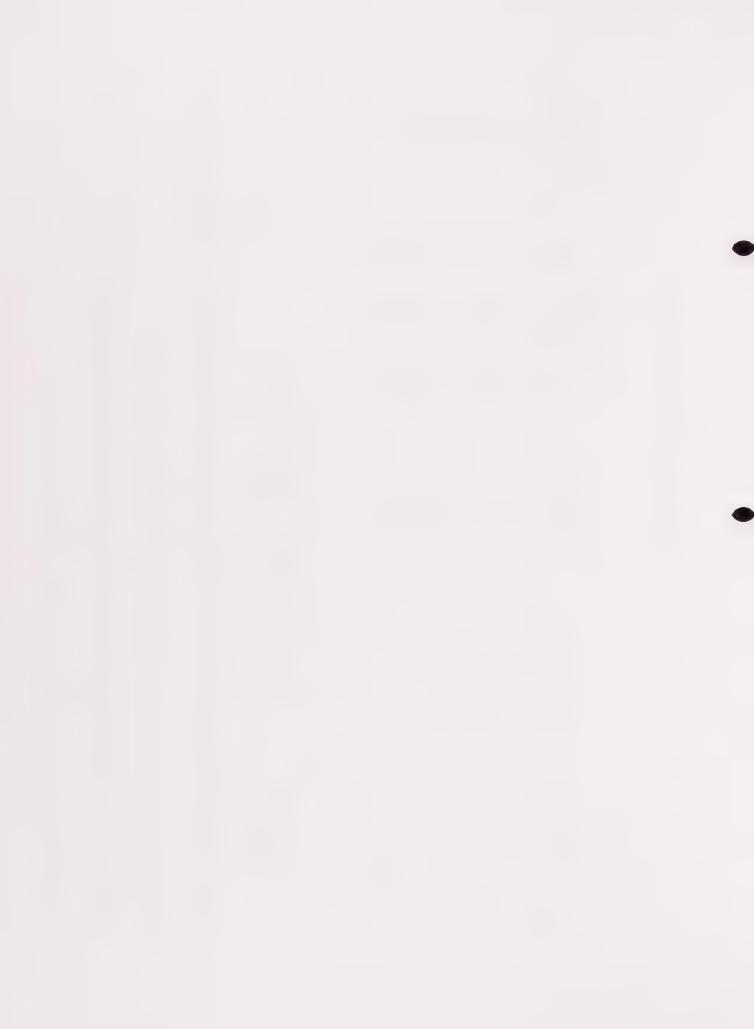
Note: very low income = 50 percent of median up to 14,272 low income = 80 percent of median median = 28,544 moderate income = 120 percent of median 22,836 - 34,252

<sup>&</sup>lt;sup>2</sup> Annual income is divided by 12 to obtain monthly income, and divided again by 4. Twenty-five percent is a "rule of thumb" measurement for indicating a household's "ability to pay" housing costs.

<sup>3</sup> Numbers in this column are adjusted proportionately upward. (see text)

<sup>&</sup>lt;sup>4</sup> Number in parentheses are statistically derived (see text). An assumption was made that the cost of ownership was a monthly mortgage equalling 1 percent of the units total value.

 $<sup>^{5}</sup>$  Limited to single-family homes on less than 10 acres.



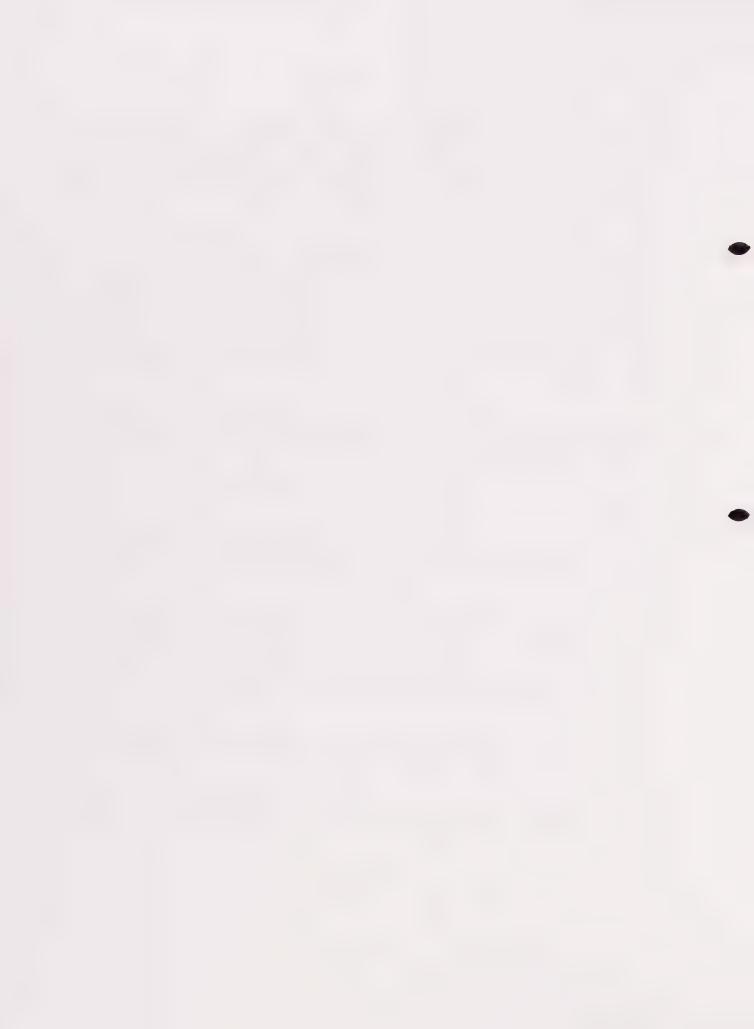
In several portions of the analysis, it was necessary to manipulate the Census data in order to perform the correlation. First, the total number of households reporting income was 2,080, while the number of households reporting housing cost was 2,276. It was necessary, therefore, to statistically increase the number of households in each income category in order to compare the income column with housing cost data.

Still another manipulation of Census data was necessary in the "Housing Units Available" column. The cost categories in the Census table are broken-down according to the national average, while Atherton housing costs are considerably above average. No further cost breakdown above \$250 per month rent and \$500 per month mortgage payment was reported in the 1970 U.S. Census, but the large majority of Atherton units fell into this highest cost category. In Table 1, the statistical distribution of cost figures above levels reported in the Census tables was therefore based on the assumption that housing payments increase proportionately with income.

Another assumption was made in this portion of the analysis. Since the only ownership cost information provided in the 1970 Census was total unit value, it was assumed that monthly mortgage payments were equal to one percent of the total value reported.

The conclusions which were drawn from the correlation in Table 1 are as follows:

- . There is a 125-unit surplus in Atherton's very low income/ housing cost category, above the number of households whose income falls into the same category.
- . There is a deficit of 286 units available in the low income/ housing cost category, compared to the number of households whose income falls into the comparable category. Of the 286 households, it is reasonable to assume that approximately 40 percent are underpaying and 60 percent are overpaying based on the total surpluses which were present in the very low, moderate and above-moderate categories.
- . There is a surplus of 47 units available in the moderate cost/ income category above the number of households whose income falls into the same category.
- There is a surplus of 114 units available in the above-moderate income category above the number of households whose income falls into the same category.



In summary, the comparison of level of housing payment with Atherton households' ability to pay housing costs shows that the primary local housing need is in the low-income category. It appears that approximately 160 households in the low-income category were overpaying for housing in 1970. It must be noted, however, that the low-income category in Atherton is the equivalent of the County-wide above-moderate income category. The local income breakdown used for this analysis is based on Atherton's median income of \$28,544 which is 115 percent higher than the median in the County of \$13,222.

## Special Housing Needs

While no data exists on the number of handicapped citizens who reside in Atherton, it is known that the economic status of most Atherton residents affords them housing opportunities which would most likely be unavailable to handicapped citizens elsewhere in San Mateo County or the Bay Area. The same social and economic advantages apply to the elderly citizens, large families, and households with female heads in Atherton.

From Menlo College officials it was ascertained that there is a minor special need for affordable off-campus housing opportunities for college students who qualify to live off-campus.

#### ABAG Housing Need Determination

The Association of Bay Area Governments (ABAG), in their publication titled <u>Housing Need Report</u>, has determined the existing and projected housing need for the Bay Area region. They have also calculated, for counties and cities, a share of such need. The "existing housing need" is defined as the housing need for the Bay Area and its counties and cities in 1980.

"Projected housing need" figures represent the projected shares of the region's housing need. The projected need numbers include the existing need and the figures in Table 2 and 3 are not intended to be added.

TABLE 2: EXISTING HOUSING NEED, ABAG DETERMINATION

	1980 Existing	Need as % of 1980 Housing
District	Need	Stock Available
Atherton	24	0.97
San Mateo County	1,592	0.69



TABLE 3: PROJECTED HOUSING NEED, ABAG DETERMINATION

	1985	Total Available Housing	1980-85 Projected Increase in	Income Breakdown Above			
	Projected Households	Needed in 1985	Housing Needed (Total)		Mod- erate	Low	Very Low
Atherton	2,481	2,557	73	37	11	9	16
San Mateo County	237,550	245,120	13,142				

The projected increase in housing needed, 73 units over a five year period from 1980 to 1985, translates to a rate of over 14.6 units per year, 1.6 units per year more than the previous 15 year average. Of the 73 unit total need projection, 37 of the units are intended to be homes for above moderate income families, 11 for moderate income families, 9 for low income families and 16 for very low income families.

# How ABAG Determinations Compare with Local Need Calculations

The main income category identified in the ABAG calculations of projected need is the above-moderate-income category. This corresponds with the previous analysis of Local Housing Need. It was determined that the only need for housing in 1969 was in Atherton's low-income category, which is the equivalent of the County-wide above-moderate-income category.



# INVENTORY OF RESOURCES AND CONSTRAINTS TO MEETING HOUSING NEEDS

# Inventory of Land Suitable for Residential Development

Suitability Classification

Vacant Sites. Exhibit HE-1 is a map of Atherton which denotes the location of all vacant land in the City. A residential development suitability rating of Class A, B, or C has been assigned to each vacant parcel on the basis of a classification system. The suit classification system relies on two sets of rating criteria. Criteria Set A describes the availability of infrastructure (i.e., roads, sewer, water, public transit and other public facilities) to the vacant parcel. Criteria Set B describes the environmental constraints which exist for developing the vacant parcel. Environmental constraints to residential development are shown graphically in Exhibit HE-2, the Environmental Constraint Map. They consist of geotechnical hazards, wildland fire hazards, noise impacts, biotic resource conflicts and flood hazards. The quantitative classification system used for this element is described in detail in Appendix B.

<u>Site Suitability in Terms of Zoning. Public Facilities and Environmental Constraints</u>. Table 4 is a description of each vacant parcel by size, allowable density, number of residential units now present on the parcel, maximum number of potential future units allowable under zoning regulation, and maximum number of future units suitable based on the following suitability classification scheme.

Definition

SUITAUTITE CTASSITICATION	DELITITATOR				
Class A	Apparently suitable for residential development.				
Class B	Apparently suitable for residential development conditional upon mitigation of environmental and public facility impacts, mitigation measures likely to include reduction of allowable density.				
Class C	Apparently unsuitable for residential development.				

Sites Suitable for Factory-Built Housing and Mobile Homes. All vacant parcels identified on Exhibit HE-1, with Class A or B suitability ratings, are appropriate for factory-built or mobile housing. It is probable that non-governmental constraints, such as property costs, will prohibit this type of housing development in Atherton in the future, however.



TABLE 4: VACANT LAND SURVEY

ZONING <sup>2</sup> PARCEL# <sup>1</sup> DISTRICT	#OF UNITS NOW PRESENT	APPROXIMATE <sup>3</sup> AREA (ACRES)	UNDER	TS <sup>4</sup> E ABILITY CLASSIFI-	APPROXIMAT # OF ADDITIONAL UNITS SUITABLE
1 A A B B C C S A A A A A A A A A A A A A A A A A	* 1 0 0 1 1 1 1 1 2 0 1 1 1 0 0 1 0 0 1 0 0 0 0	6.2 2.5 14,400 Ft.2 13,500 Ft.2 9.4 5.0 10.2 2.0 16.8 2.3 7.0 2.5 5.0 23.0 2.2 2.0 2.0 2.0 10.0 7.0 68.0 2.0 4.5 10.2 2.0 4.5 10.2 2.0 2.0	6 1 1 1 8 4 9 1 11 1 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1	A A A B B B A A B B B B C B B B B B B B	5 1 0 4 4 4 1 5 1 2 1 1 0 0 6 4 0 1 0 6 1 1 0 6

<sup>1</sup> Numbers correspond to those shown on Exhibit HE-1

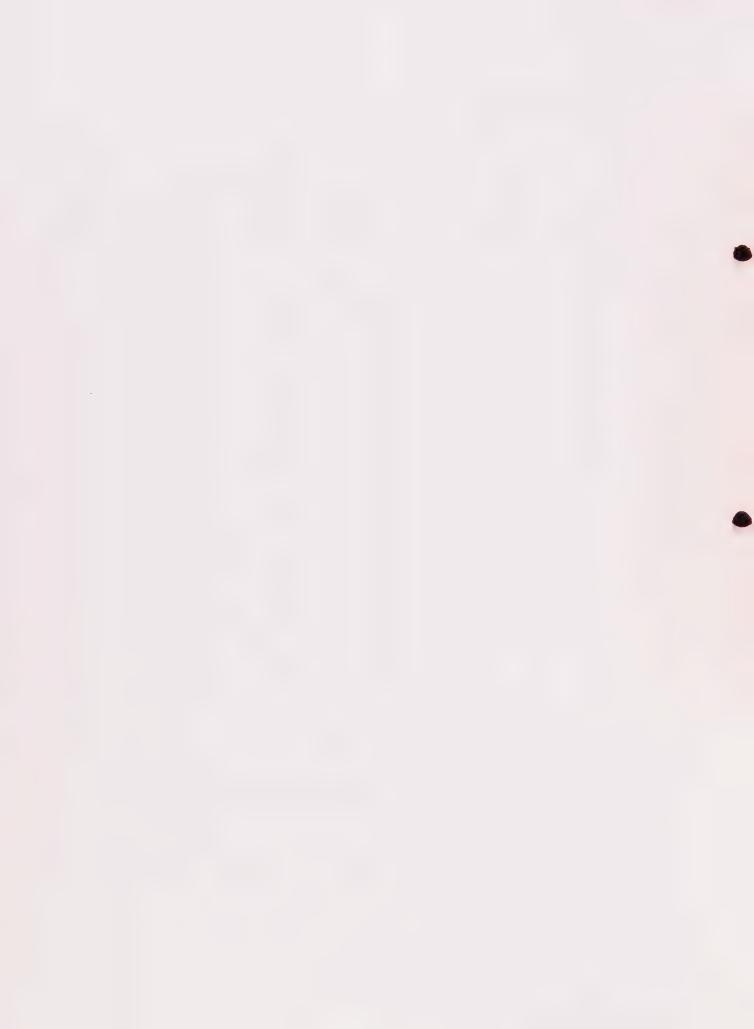
District A allows a 1 acre minimum lot size
District B allows a 14,400 square foot minimum lot size
District C allows a 13,500 square foot minimum lot size

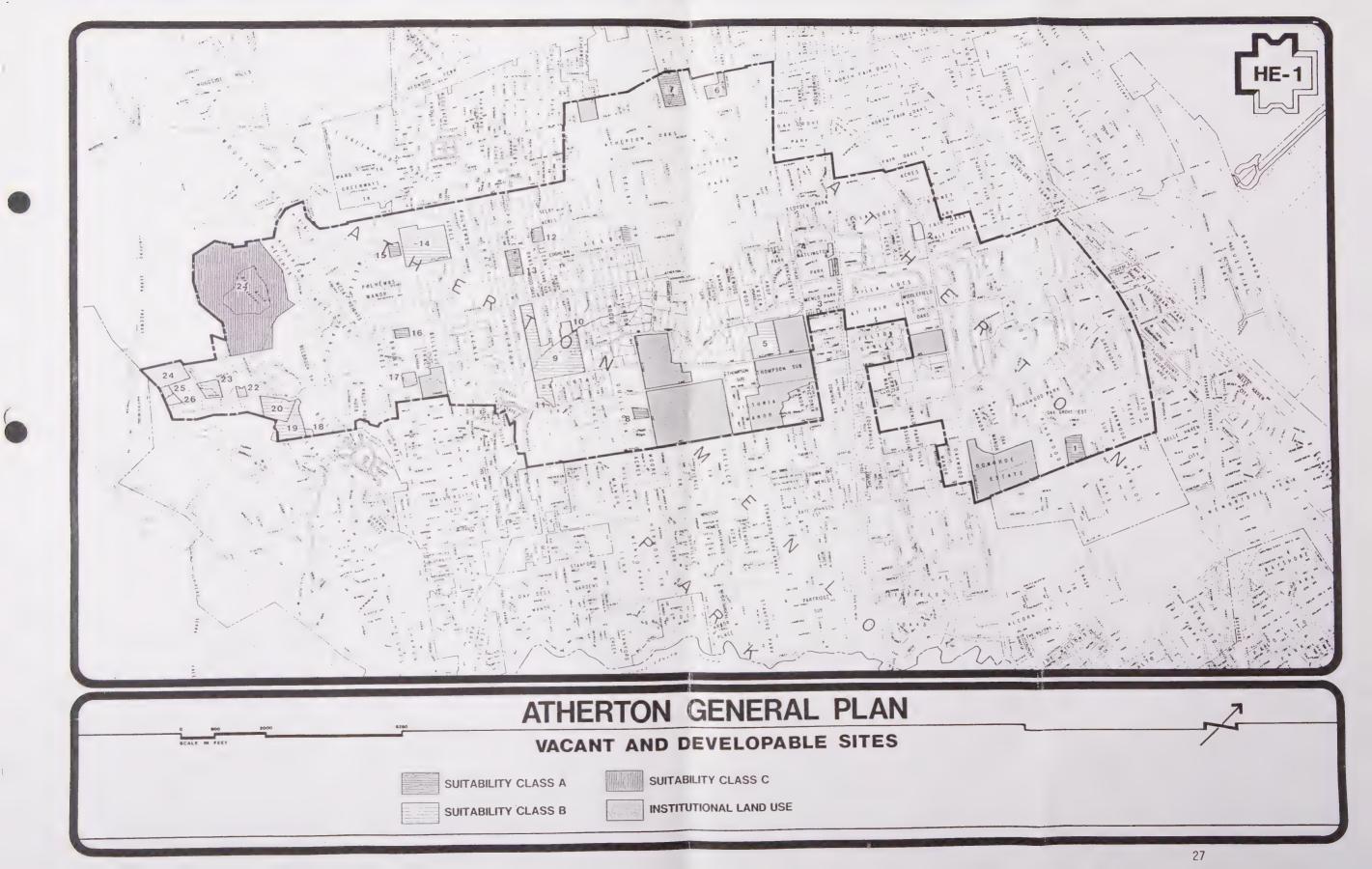
Measured from base map 1:800 scale with a polar planimeter

If streets were not constructed adjacent to the parcel, an additional 20% was subtracted from the minimum lot size

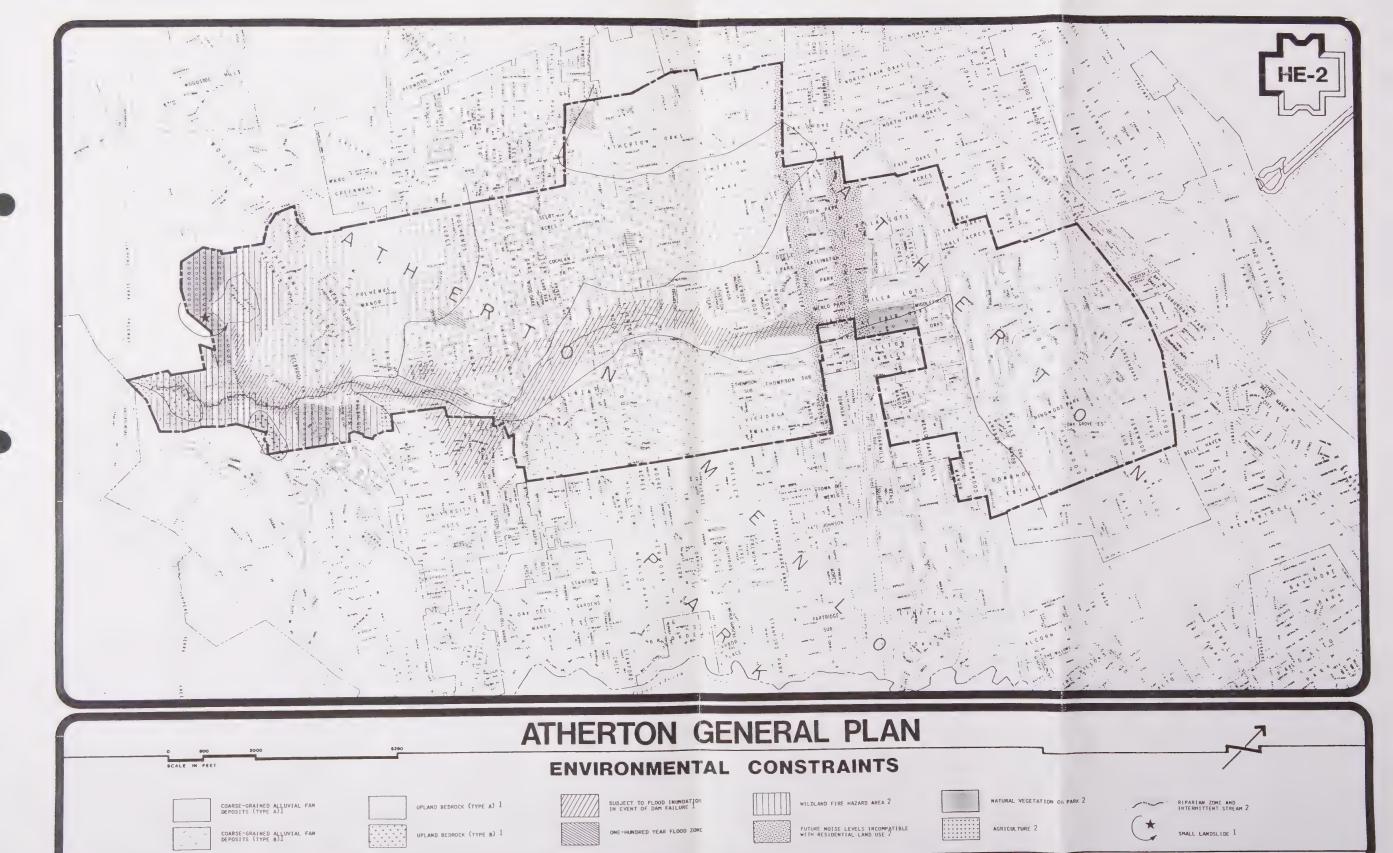
<sup>5</sup> See Appendix B

<sup>\*</sup> Institutional land use; public school.









2 MARTIN.CARPENTER.ASSOCIATES CLASSIFICATION, 1982

 $I_{\text{COUNTY}}$  of SAN MATEO, SEISMIC AND SAFETY ELEMENT, 1975



<u>Sites with Redevelopment Potential</u>. According to Town officials, there are currently no areas in Atherton suitable for redevelopment. Private actions by individual residents of Atherton have combined to preserve the overall quality of housing throughout the community.

## Analysis of Potential and Actual Government Constraints

## Land Use Controls

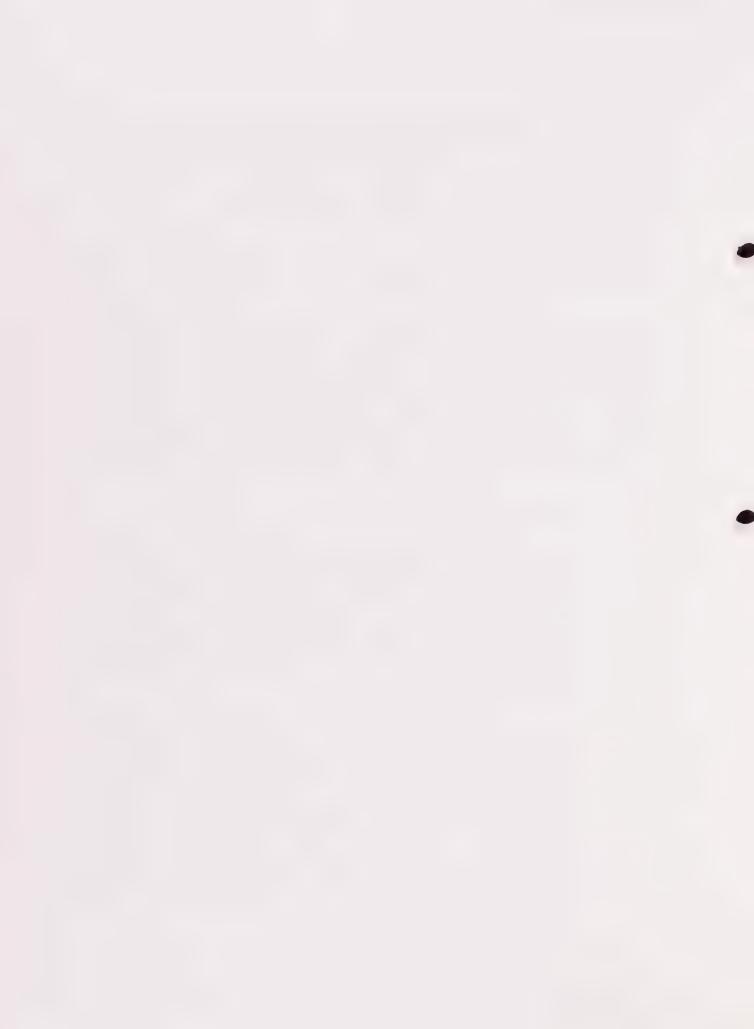
The General Plan and the Zoning Ordinance of a community are two primary tools for planning and regulating land use.

General Plan. The Town of Atherton is in the process of updating their General Plan, beginning with the Housing Element. To ensure consistency throughout all elements of the General Plan, it was necessary to review and update other related environmental parameters concurrently with the Housing Element. After cursory review of environmental information on Atherton, it was determined that the primary environmental constraints to residential land use in the town are geotechnical hazards, wildland fire hazards, biotic resource protection, noise level incompatibility and infrastructure availability. These parameters are graphically presented in the Environmental Constraints Map, Exhibit HE-2, and are described below.

## 1. Geotechnical Hazards

Seismic Related Hazards. The city limit of Atherton is located approximately one mile from the San Andreas Fault, which has a long history of earthquake activity. The current generation of Atherton residents, along with residents of the entire San Francisco Bay Area, are likely to experience an earthquake of comparable magnitude to the severe quake which occurred in 1906. Local effects from a strong earthquake will probably include strong shaking, incidents of ground failure, incidents of liquefaction, possible failure of Bear Gulch Dam and inundation by floodwater of downstream areas.

The most intense shaking will occur in the flat, alluvial areas as opposed to hillside areas. Secondary effects of shaking will depend on very local geomorphic conditions. Both types of upland bedrock which are present in Atherton are susceptible to ground failure, including landsliding and rockfalls. Type B bedrock has the highest susceptibility, however. The alluvial fan deposits which occupy the flatland areas in Atherton are also susceptible to soil failure during an earthquake, including possible lurching and fissuring. Additionally, Type A alluvial deposits have been classified as possessing moderate liquefaction risk. The potential for flood inundation due to earthquake related dam failure is also a hazard in those portions of Atherton which lie downstream from Bear Gulch Reservoir.



The major geologic units present in Atherton, and delineated on the map, have the following capabilities and limitations.

- a. Type A coarse-grained alluvial fan deposits; moderate liquefaction potential; good to fair earthquake stability; good to fair soil stability; good foundation conditions.
- b. Type B coarse-grained older alluvial fan deposits; fair soil stability; good earthquake stability; good foundation conditions.
- c. Type A upland bedrock; poor to fair slope stability; good earthquake stability; good foundation conditions; strong earthquake intensity.
- d. Type B upland bedrock; poor slope stability; poor to good earthquake stability; poor foundation conditions; strong earthquake intensity.

Flooding. The newly revised 100-year flood zone for Atherton is also mapped on the Environmental Constraints Exhibit and is based on city maps of areas which were subject to flooding after unusually high levels of seasonal and daily precipitation were recorded this winter in the Bay Area. Portions of two main thoroughfares, Marsh Road and Watkins Road, were washed out in early January and extensively flooded areas were observed throughout the Nimitz Ditch area at various times this winter. Public and private damage assessments are still being tallied.

Slope Stability and Foundation Condition Problems. Problems of slope stability are present in the upland units of Atherton, particularly in areas where soil creep and landsliding have occurred previously. Such areas are most sensitive to activities which tend to reduce slope stability, principal among which are the addition of unusual amounts of liquid, undercutting slopes and loading the tops of slopes. A landslide area was mapped by San Mateo County prior to 1975 and is indicated on the Environmental Constraints Map. The winter rains of 1982 caused several new slides in the Walsh Road area, according to City Public Works official.

Foundation conditions are generally good in the Town. The chief areas of concern are the Type B upland bedrock units shown in Exhibit HE-2, which have poor to fair foundation conditions.

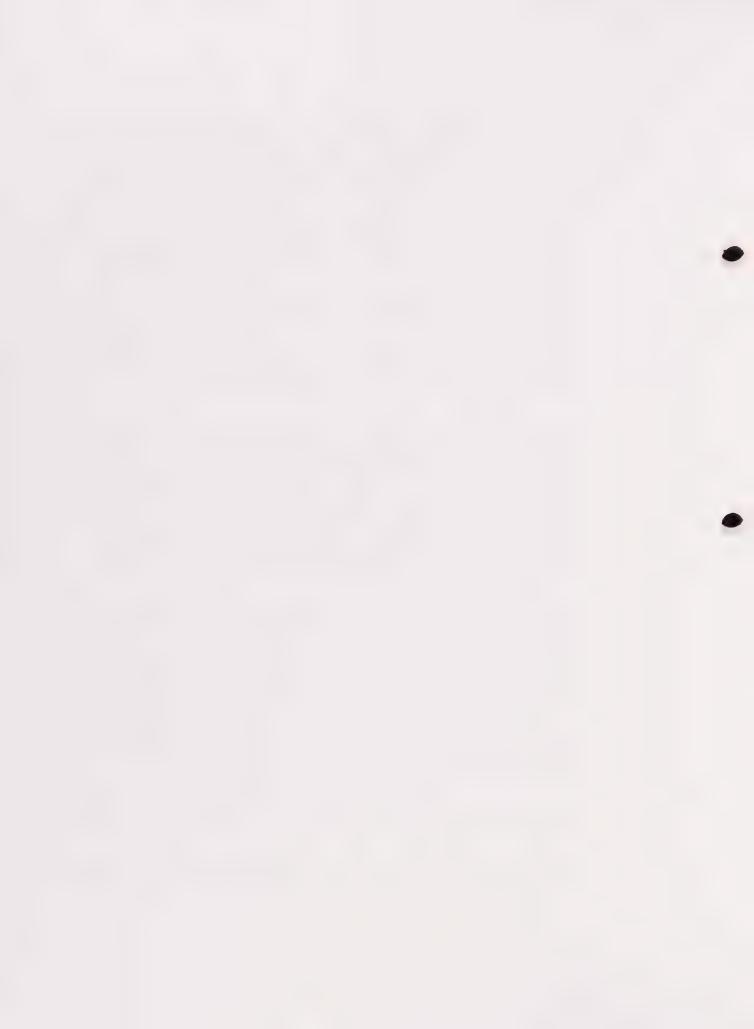


- 2. Wildland Fire Hazard. Wildland grass and brush fires have historically swept through the foothills of San Mateo County. Fire is an ecological component of many California biomes including the oak savanna habitat which is present in remnants throughout western Atherton. Until recently, residential development did not exist in the fire zones, but during the 1960s and 1970s homes were constructed at higher elevations and community exposure to brush fires has been expanded. The danger is particularly severe in summer months when grass and brush are dry and when brisk winds from the north and northeast are blowing. The Wildland Fire Zone, indicated on Exhibit HE-2, was compiled using lowaltitude aerial photography and topographic maps to delineate fuel location and to define relief. The map serves as an indicator of those portions of Atherton in which project proposals will be subject to scrutiny for wildland fire safety. Building materials, landscaping species, project access and other standard fire code guidelines may all be regulated as conditions of project approval.
- 3. <u>Biotic Resources Conflicts</u>. There is one Town park in Atherton, Holbrook-Palmer Park, which measures 22.65 acres in size. Primary species represented there are redwood and elm trees. The grounds are maintained in four acres of improved open space and approximately 9 acres of unimproved open space. Two paved parking lots and one unpaved lot serve the public. There are five structures on the property consisting of a house, a carriage house, a three-story water tower, a barn, a greenhouse and a public pavilion. Recreation amenities include a children's playground and 6 tennis courts.

Additional recreational and biotic resources in the Town are located predominantly on the lesser-developed west side of Atherton and are contained in two primary habitats. The natural vegetation community in the area is oak woodland or oak savanna, which is still represented in remnant stands mapped in Exhibit 2 as "natural vegetation". Furthermore, the intermittent streams in Atherton support a zone of riparian habitat, also indicated on the Environmental Constraints Map. A County designated combination hiking-and-biking trail is located along Alameda de las Pulgas in Atherton. The alignment of the trail allows public access to views of both communities described above.

Agricultural lands exist on a small scale in Atherton. Their location is indicated on Exhibit HE-2. Crops include vineyards, orchards and pastures.

4. <u>Noise Impacts</u>. There are two districts in Atherton where future noise impacts will likely reach "unacceptable" levels by 1995.



New development of residential land uses should not be undertaken in these zones, based on compatibility standards set by the Environmental Protection Agency and Title 25. The zones are indicated on the Environmental Constraints Map, Exhibit HE-2, and are based on measurements and projections published in the General or Specific Plans of nearby communities.

Zoning. The Town of Atherton has traditionally enforced a strict land use ordinance and Town founders pioneered the use of planning and zoning controls before these land use enforcements had gained support in the courts. In 1925, Atherton lost a court decision regarding their policy of disallowing commercial development in the Town. They were required to designate a commercial zone, which was later eliminated in 1948 by popular vote, leaving three existing commercial establishments as non-conforming and non-extendable uses. Since Atherton's court defeat in 1925, the legal position of zoning controls has been strengthened considerably.

In addition to their strong residential land use policy, the Town has been planned and developed to retain its original "rural" character by allowing only low density, single family unit homes. Three use districts are designated in the Zoning Ordinance. Residential District A requires one-acre minimum lot size, Residential District B requires a 14,400 square foot minimum lot size, and Residential District C requires a minimum area of 13,500 square feet. The extent of Districts B and C is limited to lands directly adjacent to and on either side of the Southern Pacific Railroad Corridor and El Camino Real. Therefore, by far the large majority of housing in Atherton is developed on lots of at least one acre in size and most often at lower densities.

## Building Codes.

The latest addition of the Uniform Building Code is enforced in Atherton. A full-time building inspector sees that new residences, additions, auxiliary structures, etc., meet all of the latest construction and safety standards. Building permits are required for any construction work.

## City Processing and Permit Procedures and Fees.

Building permits must be secured before commencement of any construction. reconstruction, conversion, alteration or addition. Approval of permit applications is based on conformity with the Zoning Ordinance, although the City Council has power to grant variances from the terms of the Ordinance within the limitations provided in Section 12. Schedules for processing a regular building permit or a variance request are provided in

<sup>&</sup>lt;sup>4</sup> North Fair Oaks Community Plan, 1995 Noise Projection Map, Department of Environmental Management, San Mateo County, September 1978.



Section 12. Permit processing in Atherton is very efficient and timely. Building permits generally are processed in a few days, Variance requests approximately 1-1/2 months and Conditional Use Permits require 2 1/2 months.

Conditional Use Permits are required for any school, convent, place of worship, or country club according to requirements set forth in Section 12-8 of the Ordinance.

Amendments and reclassifications to the Ordinance can be made by the City Council subject to applicable provisions of the State Laws and when initiated by citizen petition or resolution of the Planning Commission or Council. Procedures for amendments and reclassifications are stated in Section 13 of the Zoning Ordinance.

Current costs for all permit fees are listed in Appendix C.

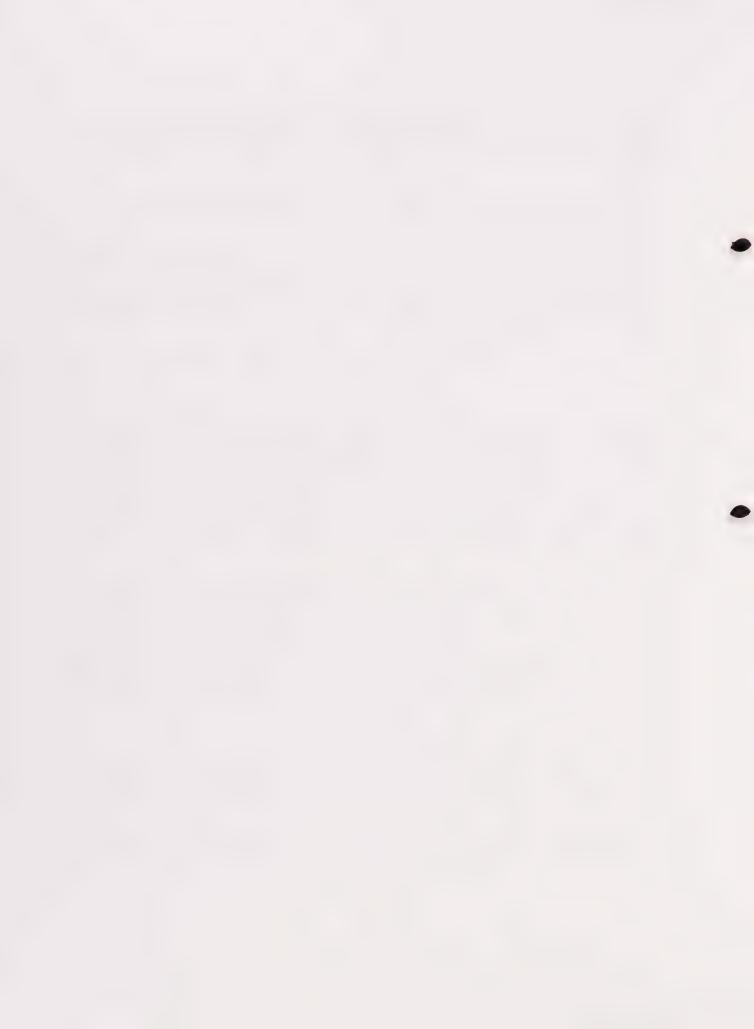
#### Site Improvements.

Atherton has 48.4 miles of streets within the city limits. With the exception of one small area, there are no sidewalks, curbs or gutters. Streets are generally narrow and designed for a minimum of traffic. The low-level of public improvements is maintained intentionally to preserve the rural community character for which Atherton is well known. Minimal improvements are possible because of the low-density development pattern. Storm-drainage, parking strip planting and maintenance, care of street trees and weed abatement are all the responsibilities of individual homeowners.

While water and sewer mains extend throughout the Town, the two sanitary districts serving Atherton have a combined total of 70 connections allocated for the Town. The West Bay Sanitary District will permit 45 future connections in Atherton and the North Fair Oaks District will permit 25 future connections. Additional homes beyond the 70 unit allocation could only be accommodated with sanitary services if the expansion of the South Bayside System Authority Treatment Plant were to be undertaken, and with the purchase of additional sewage treatment capacity by the Districts.

#### Potential and Actual Non-governmental Constraints

Primary among non-governmental constraints to housing development in Atherton, particularly low and moderate income housing, is the price of real estate. When compared against other Peninsula cities, Atherton is by far the most expensive housing market in the area. Table 5 presents a recent survey of home values, compiled this year by Coldwell Banker Residential Real Estate Services. Atherton land prices alone are approximated at \$300,000 an average acre or \$34.50 per square foot, by local realtors.



Another constraint to housing development is the availability of financing for homes, which is at a "crisis" level in the Bay Area. Current mortgage rates are variable or negotiable, ranging around 18 percent.

Since Atherton has no commercial and industrial development, the potential for local jobs is limited to household servants and service workers. The demand for housing based on local employment opportunities, is, therefore, non-existent. Future residents of Atherton will, by necessity, commute to other cities for employment.

## Summary of Resources and Constraints to Housing Development

A total of approximately 220 acres of vacant land exist in Atherton, all of which is zoned for single-family residential development. Without considering environmental or infrastructure constraints, the vacant properties could support approximately 154 units under current zoning regulations.

After examining environmental and infrastructure constraints, it appears that only approximately half that number of units would be appropriate and consistent with the Town and County land use policies and State environmental regulations. The Town of Atherton is in the process of updating their General Plan, beginning with the Housing Element. In the interim, a residential suitability classification designation has been assigned to each vacant parcel in Exhibit HE-1.

Significant environmental constraints include geotechnical hazards, i.e. earthquake, flooding and ground failure. Major constraints in public facilities include sewage treatment plant capacity, which is currently limited to 70 connections; and the street and drainage systems which are designed for very low density residential development. Non-governmental constraints include the Town's very high property values, high financing rates, and a lack of local employment opportunities.

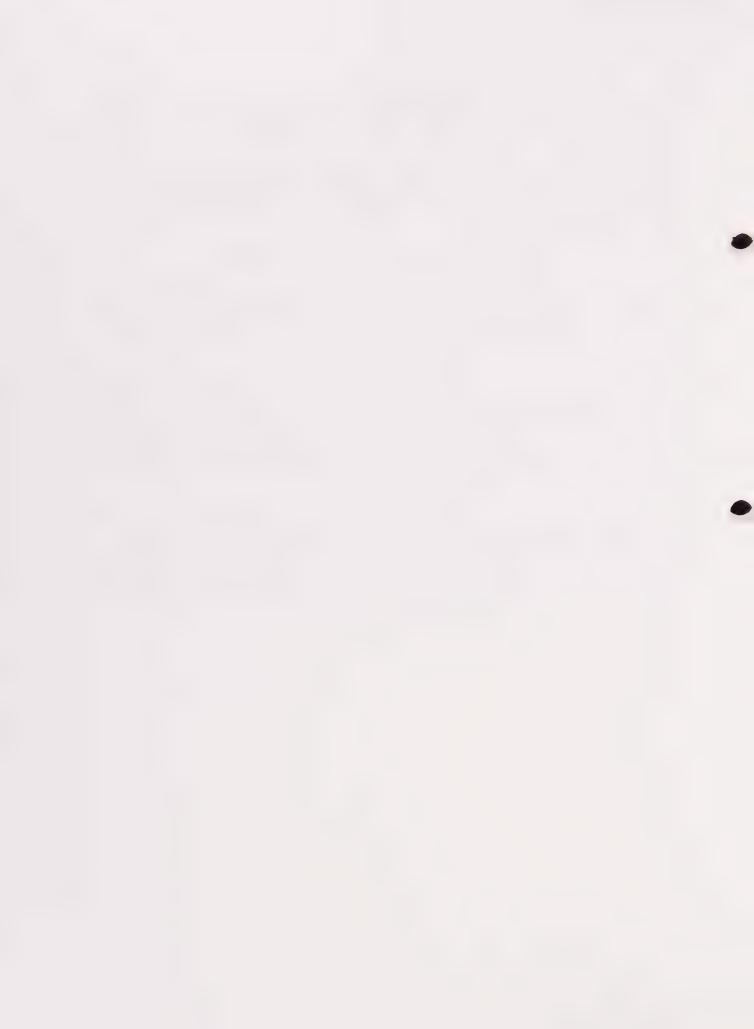
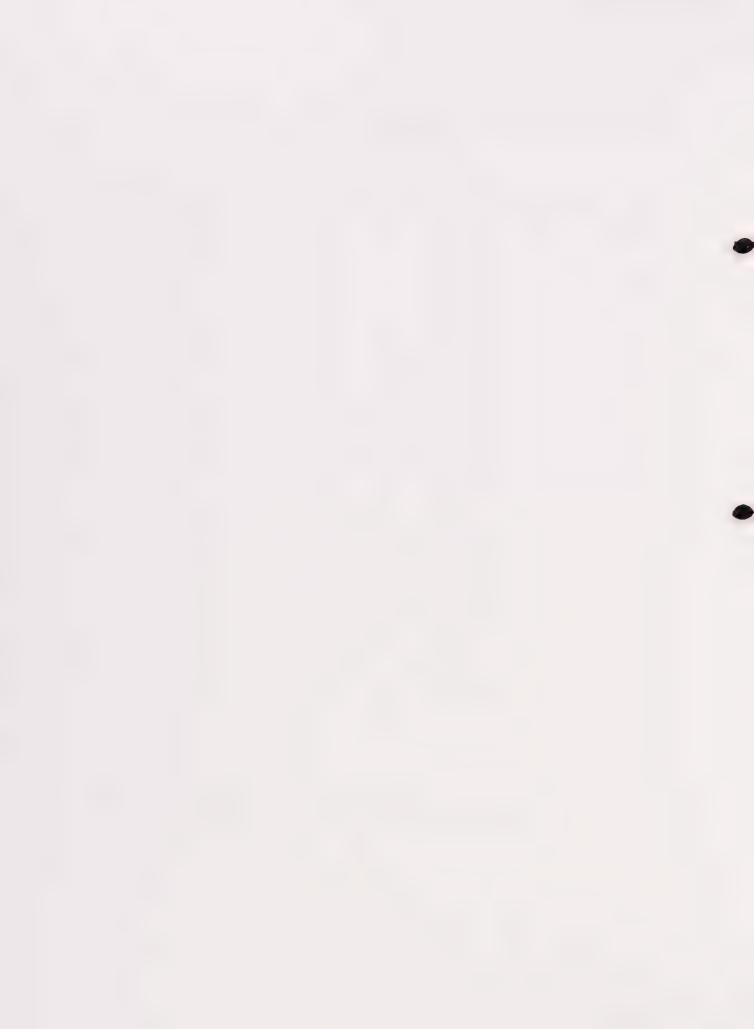


TABLE 5: HOUSING VALUES OF PENINSULA CITIES

	Value in Dollars						
City	Low	Median	High				
Atherton	350,000	600,000	900,000				
Belmont	135,000	189,000	329,000				
Burlingame	179,000	259,000	350,000				
Foster City	149,950	225,000	335,000				
Hillsborough	387,000	479,500	685,000				
Los Altos	195,000	275,000	340,000				
Menlo Park	180,000	280,000	650,000				
Millbrae	154,900	259,950	350,000				
Mountain View	155,000	195,000	250,000				
Palo Alto	195,000	300,000	750,000				
Redwood City	120,000	200,000	500,000				
San Carlos	140,000	220,000	500,000				
San Mateo	117,000	245,000	390,000				
Sunnyvale	135,000	180,000	225,000				
Woodside	225,000	400,000	900,000				

Source: Miller, Jack, "How Location Boosts Prices Sharply" <u>San Francisco Chronicle/Examiner</u>, Home Section, January 31,

1982.



## HOUSING GOALS, OBJECTIVES, POLICIES AND IMPLEMENTATION PROGRAMS

### Citizen Involvement

Citizen involvement in the preparation of the Atherton Housing Element was accomplished through the process of Planning Commission and City Council hearings, described in the Zoning Ordinance for the Town of Atherton. A General Plan Advisory Committee, consisting of Council and Commission members, assisted in the preparation of the Draft Element.

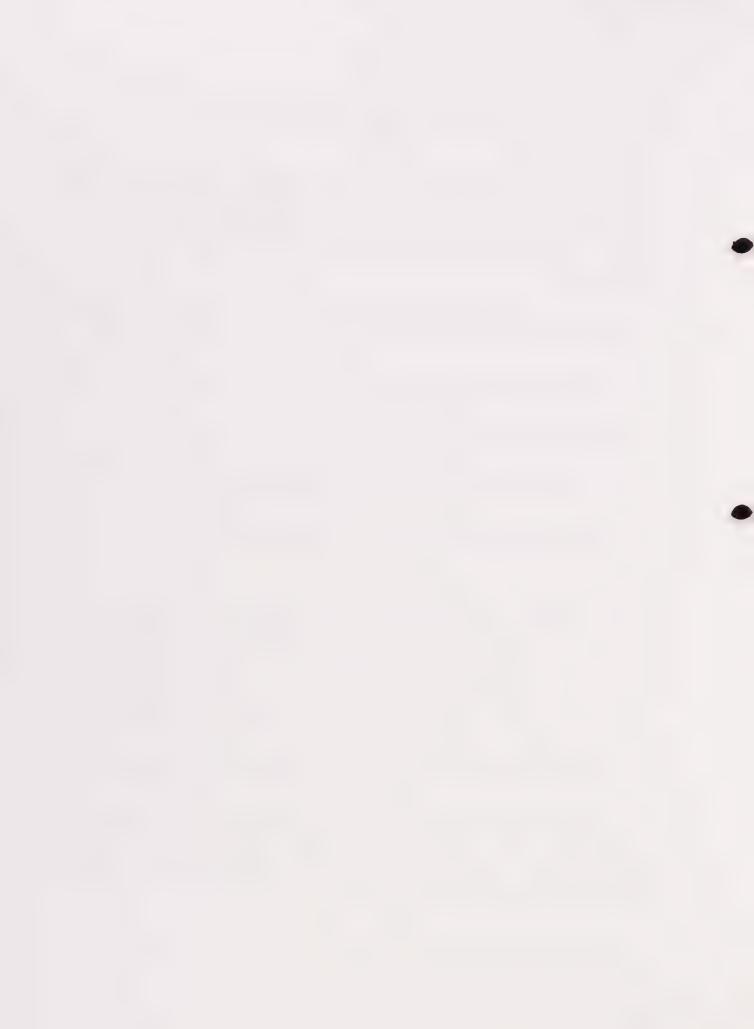
### Housing Goals

- 1. Facilitate the private development of housing in an attempt to meet the housing need identified for Atherton by the Association of Bay Area Governments.
- 2. Promote private efforts to conserve and improve Atherton's existing housing supply.
- 3. Encourage energy conservation in residential development and residential remodeling.
- 4. Give special consideration to the expansion of housing opportunities for elderly, handicapped and low- and moderate-income persons.
- 5. Promote housing opportunities for all persons regardless of race, sex, marital status, ancestry, national origin or color.

#### Housing Priorities

General Strategy. Emphasis in the Atherton Housing Element is to maximize local incentives to help private enterprise generate more housing, and to utilize existing housing stock to satisfy community housing needs. The Town does not intend to seek outside grants that would require setting up new local administrative functions nor will significant additional responsibilities be placed on existing Town personnel. Minimal direct involvement in providing affordable housing will be undertaken by Town staff. Instead, the staff will attempt to further streamline their processing and permit procedures. Likewise, they will continue to make regulatory concessions when it is appropriate and legally possible to do so. In this way, they will encourage new housing development, more housing opportunities, and improvement and conservation of existing housing stock.

The following section of this report sets forth the specific actions that Atherton will take over the next three years to pursue the stated five-year housing goals. Programs will be instituted by the Town to satisfy each objective. It is anticipated that the listed programs will be used in various combinations depending on the project at hand. Priority for program implementation is given below.



## First Priority for Program Implementation.

Actions taken by local government to provide incentives and minimize regulatory disincentives to private enterprise aimed at promoting the generation of housing.

## Second Priority for Program Implementation.

- . Actions taken by local government to assist local citizens in locating and retaining affordable housing through the Housing Improvement Project.
- . Actions taken by local government to support activities of the Sub-Regional Housing Task Force.

## Housing Policies, Objectives and Programs.

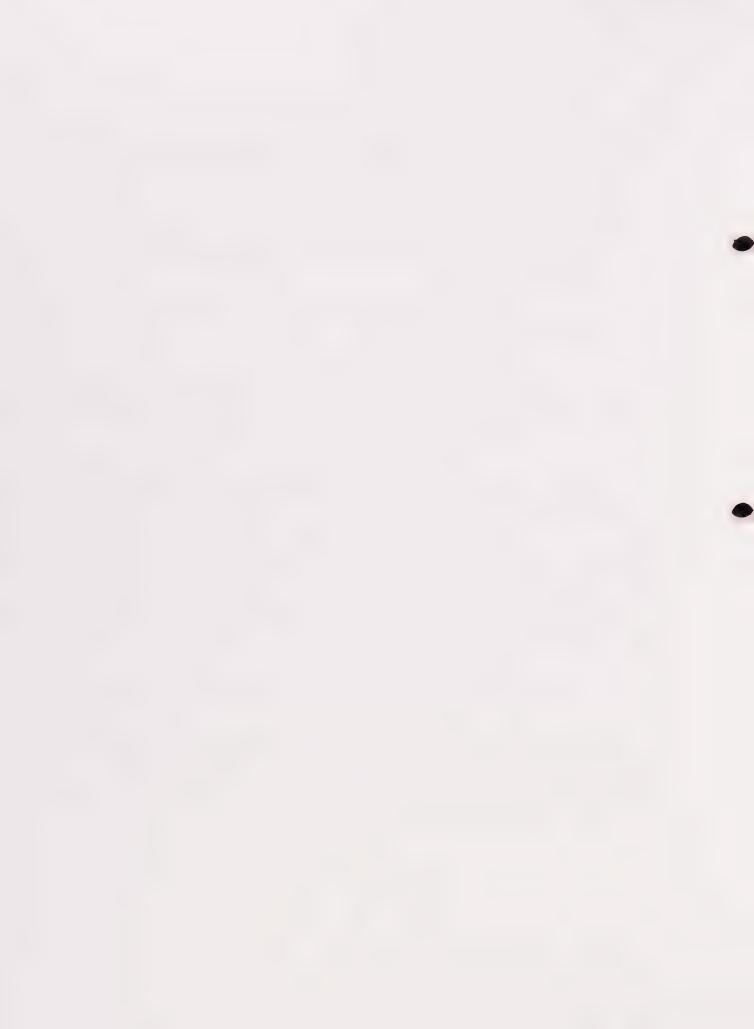
POLICY 1: WITHIN THE LIMITATIONS OF THE PRIVATE HOUSING MARKET, THE TOWN WILL WORK WITH PRIVATE DEVELOPERS TO ENCOURAGE NEW HOUSING DEVELOPMENT.

## Objective 1: Promote Construction of New Housing in Atherton

New housing has been constructed at an average rate of approximately 13 units per year over the last 15 years. In Atherton, the construction of new housing results in the provision of housing for above-moderate families, plus a limited proportion of low- and very-low individuals and families. Low- and very-low-income housing is created as new households employ live-in domestic workers. In 1970 over four percent of the Town population was employed in domestic worker categories. It is assumed that these workers were live-in domestic workers, co-occupying units with above-moderate-income families. If the same proportion of low- and very low-income domestic workers were housed in newly constructed units, two domestic workers and their families would be provided housing in Atherton over the next five years.

Resource Commitment: On-going Planning and Building Department staff review of building and subdivision plans for new housing construction.

Estimated Results: Based on Building Department records showing current proposals for 25 units and recent residential development rates of eight units per year, approximately 49 housing units will be constructed in Atherton over the period between 1980 and 1985. Approximately 49 above-moderate- income families and 2 low- and very-low-income families are likely to be accommodated in these new units.



## Program A: Encouragement of Lot Splits

This action would involve encouraging property owners to divide single-family unit lots of over two acres in size for the purpose of increasing the residential density to within the allowable range of one unit per acre. Encouragements would include, when appropriate and legally possible, the approval of variances to required setbacks and other ordinance requirements. In this way, the Town will be acting to remove some governmental constraints to housing development.

Resource Commitment: On-going staff review of lot division and building plans. Commission and Council review of variance requests.

Estimated Results: The results of this program are contained within the quantified results reported under Objective 1.

### Program B: Identification of Suitable Housing Sites

Exhibit 1 shows those vacant sites within Atherton that are currently planned and zoned for residential development. Furthermore, the sites are given ratings indicating the suitability of each for residential development. Exhibit HE-2 shows the categories of environmental impacts which will require the implementation of mitigation measures prior to their development. The Town staff will update these maps on an annual basis to reflect new development which has occurred since the last review. This will provide a current and available inventory of housing sites within the Town to all private citizens, property owners and developers. With this information, the Town will be acting to streamline environmental review and processing of applications.

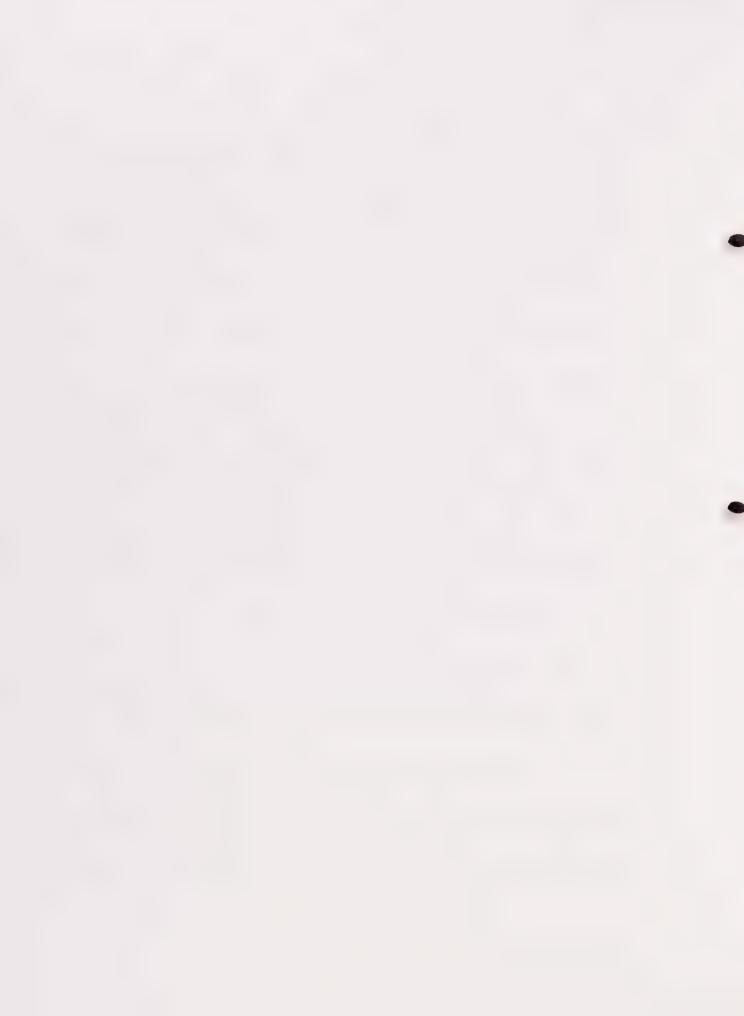
Resource Commitment: Planning staff will be required to monitor housing construction and to keep the maps current.

Estimated Results: The results of this program are contained within the quantified results reported under Objective 1.

POLICY II: THE TOWN WILL ENCOURAGE AND COOPERATE WITH SEMI-PUBLIC AND NON-PROFIT GROUPS TO PROVIDE HOUSING FOR ELDERLY, HANDICAPPED AND LOW-INCOME CITIZENS OF ATHERTON.

## Objective 2: Allow Renter Utilization of Existing Non-Attached Structures

Residential lots in Atherton are oftentimes occupied by not only the primary single-family housing unit, but by one or more ancillary structures, i.e., pool houses or guest houses. These non-attached structures are referred to by residents of the community as "cottage houses." Property owners with ancillary structures which meet applicable building and safety codes and are not utilized for other purposes may wish to rent



these quarters. This arrangement could ease the need for construction of new units. Decreasing the demand for new housing is particularly appropriate in a community like Atherton where construction is subject to constraints such as above-average land values and sewer allocation limits. Residential use of these structures is currently prohibited.

#### Program C: Cottage Housing Rental Program

The Cottage Rental Program involves amendment of existing Town policy to allow the use of non-attached accessory structures for rental housing. The Zoning Ordinance will be amended to allow the use of such structures which meet Town building code regulations upon the issuance of a conditional use permit. Among the standards required for the issuance of such a permit will be (1) no more than 1.0 persons per room (excluding closets, bathrooms, etc.) may occupy the structure and (2) sewer connections, if required, must be available and obtained from the appropriate sanitary district. The Town supports this program through the following actions:

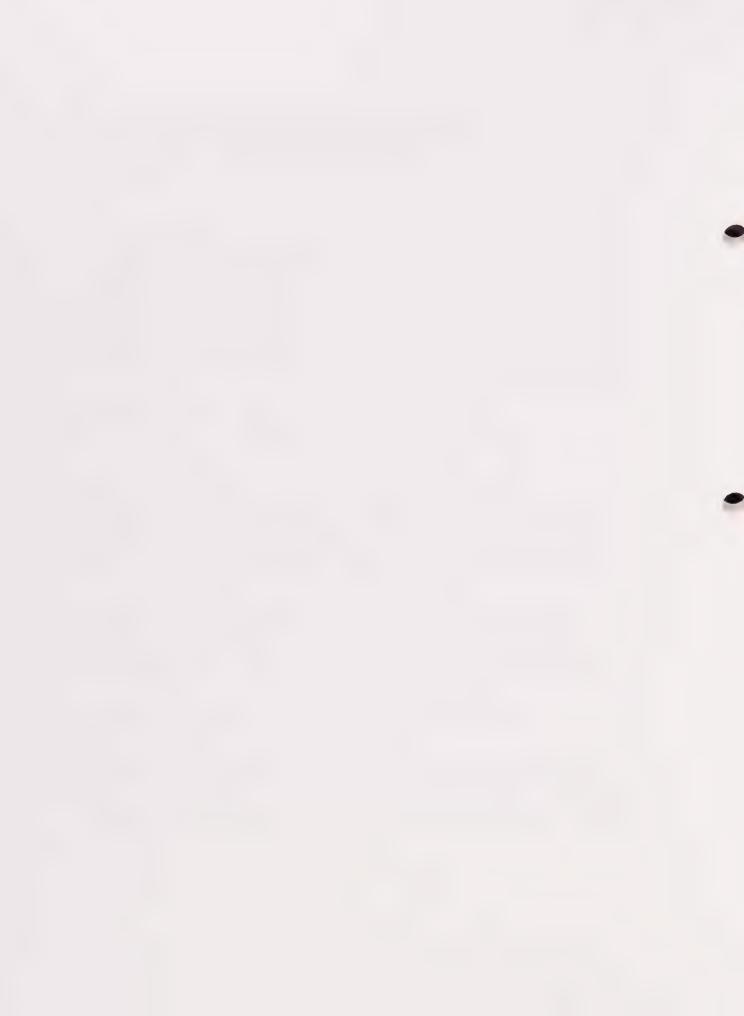
- a. Revision of Zoning Ordinance to enable use of cottage housing as a conditional use with appropriate standards.
- b. Town inspection and approval of units to be rented.

Resource Commitment: Staff time, as well as Commission and Council review will be required to write and adopt a Zoning Ordinance Amendment and standards. Building Official inspection of structures to be rented and staff review proposals through the Use Permit process. In this way, the Town is removing additional governmental constraints to moderate-, low-and very low-income housing opportunities.

Estimated Results: It is anticipated that the program will result in the creation of 30 to 35 new available housing units in existing non-attached structures and the placement of an equal number of individuals needing housing over the next three years. It is estimated that 100 percent of those individuals placed will be in the moderate, low-and very-low-income ranges.

## Objective 3: Promote New Housing Opportunities in the Market Sub-Region

Real constraints, both governmental and non-governmental, are predicted to inhibit the demand for and development of low- and moderate-income housing in Atherton. However, there are other cities in the sub-region which will experience greater housing demand by virtue of local employment opportunities, availability of sites suitable for high density residential



development, relatively low property values, public service availability, etc. Private citizens of Atherton, with strong business and commercial ties to the surrounding market area, have a vested interest in cooperating with and promoting housing opportunities and economic growth in the sub-region.

#### Program D: Sub-Regional Housing Task Force Participation

Atherton proposes to participate cooperatively with other cities in the housing market sub-region. The sub-region consists of the Cities of Atherton, Woodside, Portola Valley, Redwood City and Menlo Park. The Task Force will meet on a regular basis to formulate new housing actions and monitor existing programs that will result in the production of new housing in the region for all income groups. A primary function of the Task Force will be to support the production of affordable housing in areas of the region close to jobs, transportation, adequate public facilities and services.

Resource Commitment: Staff and/or private citizen representative participation in Task Force workshops and meetings.

Estimated Results: Undeterminable

## <u>Program E: Interface with Philanthropic Foundations, Representing</u> the Sub-Regional Task Force

An initial contribution to the Sub-Regional Task Force, to be proposed by the Town of Atherton, is the contact of local philanthropic foundations. Atherton's representatives propose to abstract lists of foundations and to contact those whose areas of interest include the provision of low- and moderate-income housing opportunities. Philanthropic foundations will sometimes grant or loan money for predevelopment costs of non-housing development. Applications for funding are generally submitted for review by the staff or board of directors of the particular foundation on the basis of merit. Whether or not to prepare and submit applications for funding would be decided by the Task Force.

Resource Commitment: Staff time to abstract lists of philanthropic foundations, and to contact them for applications, specific policies, purposes, and areas of interest related to housing opportunities. (six hours of staff time)

Estimated Results: Undeterminable.

POLICY III: THE CITY HAS TO DATE PROVIDED ONE MODERATE-INCOME UNIT, AND WILL INVESTIGATE THE FEASIBILITY OF RENOVATING TWO ADDITIONAL CITY-OWNED STRUCTURES FOR AFFORDABLE HOUSING UNITS TO BE OCCUPIED BY LOW-AND MODERATE INCOME CITY EMPLOYEES AND THEIR FAMILIES.



# Objective 4: Provide a Limited Number of City-Owned Housing Units For Low- and Moderate-Income Employees

The Town of Atherton initiated a housing program in 1980. At that time they began providing housing for one moderate-income Town employee and his family. They did so by moving a single-family housing unit onto a portion of the estate of Olive Holbrook-Palmer, who willed her property to the Town for the creation of a park. The Town-owned unit is, therefore, located within the Park. The program is being continuously monitored, but has thus far proven successful and cost-effective. The Town proposes to investigate the feasibility of expanding this program.

## Program F: Monitor the Current Employee Housing Program; Investigate the Feasibility of Expanding the Program

There are two additional structures in Holbrook Palmer Park which have potential, after renovation and upgrading, to be used as apartments by Town employees. One structure is a water tower and the other is a carriage house. The Town proposes to continue their ongoing review of the current one-unit residential program and to investigate the feasibility of converting the two additional structures to apartments. Likewise, they will examine the feasibility of initiating similar residential arrangements with two more Town employees and their families.

Resource Commitment: Staff time to request contract bids for renovating the two structures and improving them to meet code. Staff time to perform a cost/benefit analysis, comparing the initial renovation investment against long-term savings in employee salaries. (125 hours of staff time)

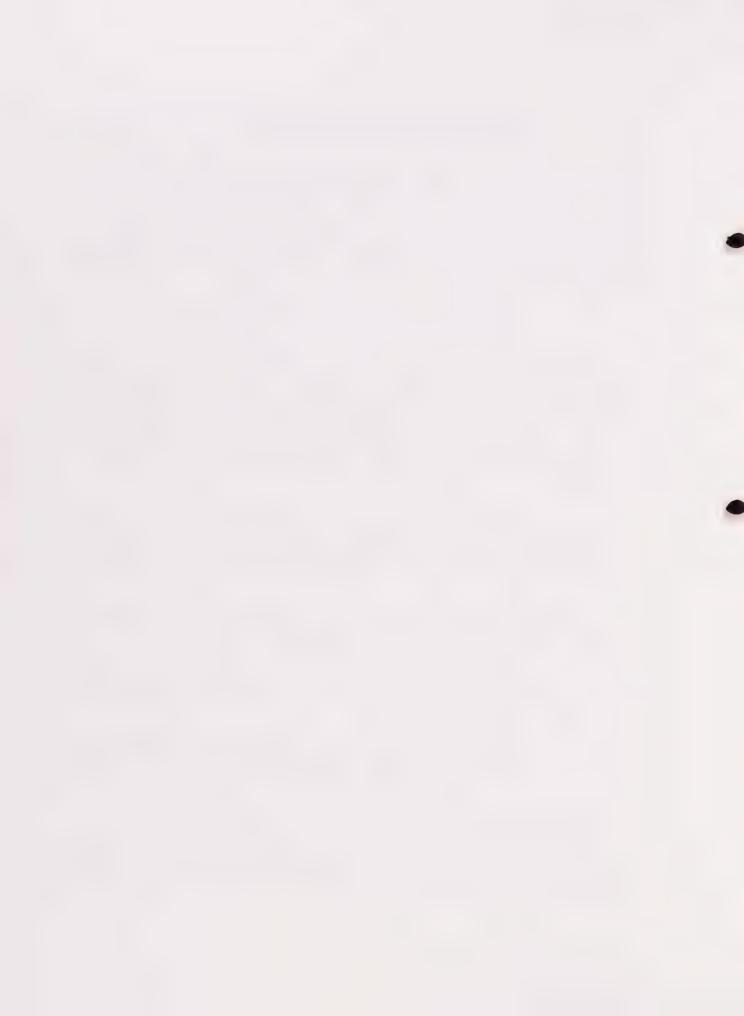
Estimated Results: One moderate income housing unit has already been created, and the potential for creating two additional low- and moderate-income units will be investigated.

POLICY IV: THE TOWN OF ATHERTON WILL PROMOTE CONSERVATION AND IMPROVEMENT OF THE CONDITION OF EXISTING HOUSING STOCK, AND WILL ENCOURAGE REMODELING AND EXPANSION EFFORTS BY HOMEOWNERS.

Objective 5: Promote the Improvement, Maintenance and Enhancement of
Existing Housing Stock and Create New Housing Opportunities
by Encouraging Remodeling of Existing Stock

## Program G: Remodeling and Improvement of Existing Units

A recent survey indicated a number of housing units located throughout the community could be remodeled or expanded. This action would promote the maintenance and enhancement of the existing housing stock, and would provide Atherton's residents with a means of improving their



housing opportunities without acquiring new housing. The action involves Town encouragement of "add-on" construction and remodeling of existing units. Homeowners will be allowed variances, when appropriate and legally possible, as a form of encouragement. In this way, the Town will be acting to remove governmental constraints and will therefore increase affordable housing opportunities using current housing stock.

Resource Commitment: Staff review of building plans for additions and remodels. Council and Commission review of variance requests.

Estimated Results: Based on past experience it is estimated that approximately 1700 units will be remodeled or enhanced over the five-year period between 1980-1985. It is predicted that the entire housing stock of Atherton will continue to be preserved in a "well maintained" condition.

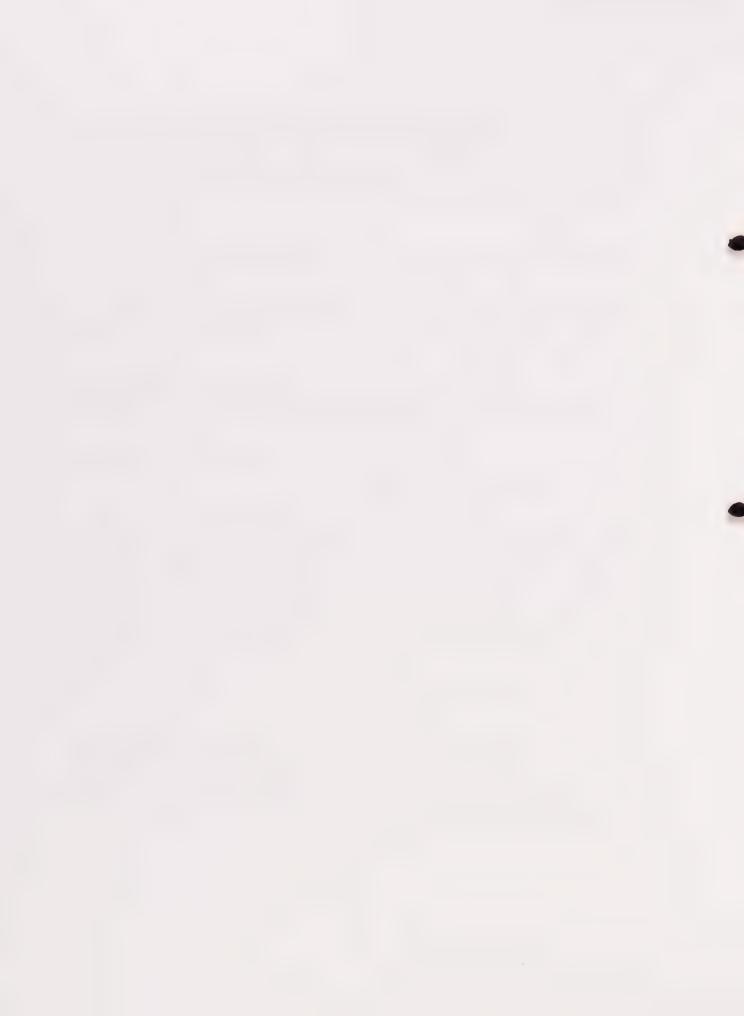
POLICY V: THE TOWN WILL CONTINUE TO ENFORCE CURRENT ENERGY CONSERVATION POLICIES AND WILL START RECOMMENDING ADDITIONAL MEASURES, PARTICULARLY THE USE OF PASSIVE SOLAR DESIGN, IN THE CONSTRUCTION AND REMODELING OF HOUSING.

## Objective 6: <u>Promote Energy Conservation Techniques in New and Existing Residential Development</u>

The Town currently enforces a policy which requires energy-conserving swimming pool covers on all new swimming pools. They also enforce the use of energy conserving features which are required in the latest edition of the Uniform Building Code. Many private citizens in Atherton have already taken advantage of tax credits by installing various solar energy devices, as evidenced in the Building Department records of permits for such devices. Expanding on current policy, new measures will include the recommendation and education of all future housing developers and renovators on the advantages and methods available for residential energy conservation.

## Program H: Recommend and Promote Energy Conservation in Existing and New Housing

This action involves Town encouragement of energy conservation features in existing and new housing plans. The Town Building Official will be directed to recommend use of passive and active solar design features in the construction of new or remodeled housing. The Town will maintain and distribute literature on passive and active solar design, insulation techniques, utility bill savings and tax advantages of energy conservation techniques.



Resource Commitment: Staff encouragement of energy conservation techniques in design of new construction and remodels. Staff review of energy conservation features in building plans for housing construction. Staff maintenance of energy conservation literature.

Estimated Results: Although it is not possible to quantify the results of this action, it is anticipated that a substantial portion of new and remodeled construction will have energy conservation features.

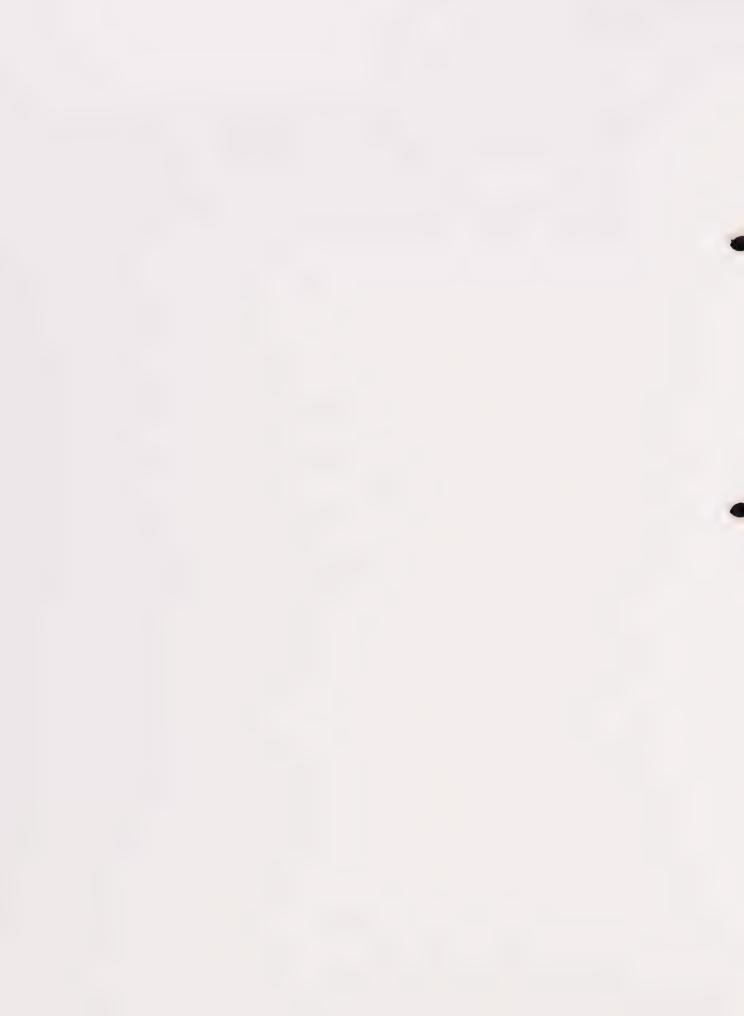
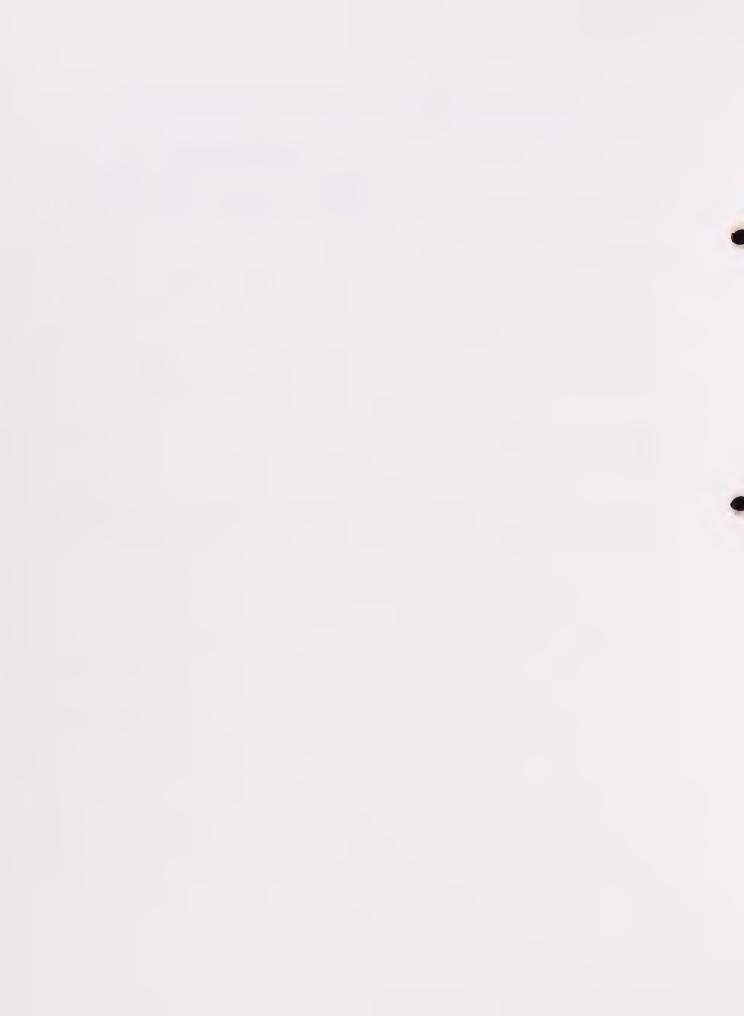


TABLE 6: SUMMARY OF ESTIMATED RESULTS OF HOUSING ACTIONS 1980-1985

Number of Units Estimated Results By Income Category Above Very Moderate Moderate Low Program Low Encouragement of Construction of New Housing 0 1 1 49 Cottage Housing Program 0 10 10 15 City-Owned Employee Housing 0 0 1 or (1)(2) Five-Year Totals 49 11 or 11 or 16 (12)(12)ABAG Five Year Need Determination for Atherton 37 11 9 16

Numbers in parentheses indicate units which the Town will potentially provide.



## TABLE 7: FIVE YEAR SCHEDULE OF ACTION

		IMPLEMENTATION PROGRAMS	1981	1982	1983	1984	1985	
New Housing Construction	1.	Encouragement of Lot-Splits with Regulatory Concessions						
	2.	Streamlining Permit and Processing Procedures by Improving Public Information Resources	***************************************					
Cottage Housing	1.	Adopt Zoning Ordinance Amendment	**					
onal rce ation	1.	Participate in Task Force Formation						
Sub-Regional Task Force Participation	2.	On-Going Participation						
	3.	Interface with Philanthropic Foundations	****					
emodeling Existing City-Owned Housing Employee Stock Housing	1.	Manage and Monitor Current One-Unit Program						
	2.	Perform Feasibility Study for Two Additional Units		11111	11			
	3.	Implement Three-Unit Program, if Feasible			1000			
	1.	Encouragement of Add-Ons with Regulatory Concessions		1818				
Residential Energy Conservation	1.	Obtain Literature on Energy Conservation		****	1111			
	2.	Disseminate Literature					11111	
	3.	Encourage Energy-Conserving Methods in Development and Remodel		1888		*******		

## Summary of Five Year Schedule of Actions

It appears that approximately 49 single family residential units will be constructed or approved for construction by 1985 assuming no changes in the nation's economic conditions. An additional 1700 units will be remodeled or improved during that time period, if permit requests for such construction continue at their current rate. Should the economy improve, with an ensuing reduction in non-governmental constraints, the City has capacity to facilitate an additional 21 single-family units, or a total of 70 units, by the year 1985 within their current sanitary district allocation. The suitability classification indicates that there is land available for the construction of a total of approximately 61 single family units.

Based on Atherton property values, it is likely that all homes built in the future will be occupied by families with above-moderate incomes. It is also predicted that at least four percent of those homes, or two units, will serve as residences for low- to very-low-income domestic employees.

In order to meet the Association of Bay Area Government's "Housing Need Determination" for Atherton, the Town has proposed several programs to create new housing opportunities for low- and moderate-income households. The proposed Shared Housing Program is anticipated to find housing for 30 to 35 one-person households, all of which are likely to be of moderate-, low-, or very-low-income. The City Employee Housing Program has already provided one moderate income residence and will investigate the potential for renovating two additional units, one of which would be a moderate-income unit and the other a low-income unit. The figures shown in Table 6 are quantified objectives for the maximum number of units which will be created by the year 1985 under current economic conditions, and they are equal to or greater than the housing need figures identified by ABAG.